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November 4, 2014

Chair Ray Kamikawa  
Real Property Tax Advisory Commission  
City and County of Honolulu  
Honolulu, Hawai'i 96813

**RE: Report - minimum tax for 501(c)(3) organizations (Commission Meeting 11/5/14)**

Dear Chair Kamikawa, Vice Chair Yamachika, and members of the Commission:

The Hawai'i Alliance of Nonprofit Organizations (HANO) is a statewide professional association for nonprofits that unites and strengthens the nonprofit sector as a collective force to improve the quality of life in Hawai'i. HANO works in the areas of leadership and convenings, advocacy and public policy, research and information, communications, professional development, products and capacity building services for its members. HANO members provide essential services across every community in the state.

HANO supports maintaining the current \$300 minimum tax for charitable 501(c)(3) organizations. We thank the Commission for maintaining this minimum tax for 501(c)(3) organizations, and for recommending favorable treatment for 501(c)(3) organizations in light of their many contributions and commitments to government and the public.

We also appreciate the revised language at the bottom of page 3 of the report (redraft 10/29/14), which states that the exemption applies to property *used by* 501(c)(3) organizations (instead of "*owned and used*" as written in the previous draft).

Mahalo for your consideration of issues important to charitable nonprofits. 501(c)(3) organizations have a special role in our community and in partnership with government. Nonprofits are tax-exempt because they provide a social good in education, health and human services, housing, support to the elderly and youth, and many other critical services that government would otherwise have to furnish. Nonprofits are able to provide these services more cost-effectively and with first-hand expertise of community needs. Any increased taxation would be especially detrimental to charitable nonprofits, as it would add to their overhead costs and reduce their resources for serving the community.

Thank you for the opportunity to provide testimony.

Sincerely,

Nikki Love Kingman  
Public Policy Director